



**SUPPLY CHAIN MANAGEMENT PROCESS
TURN-AROUND TIME POLICY**

2016/2017 FINANCIAL YEAR

NO.	<u>INDEX</u>	PAGE NO.
1.	BACKGROUND	3
2.	DEFINITIONS	3
3.	OBJECTIVES	4
4.	TURN AROUND TIMES FOR VARIOUS LEVEL OF PROCUREMENT PROCESSES	5

1. **BACKGROUND**

The MFMA SCM regulations provide that effective supply chain processes must be in place to render effective service delivery within the set legislative provisions.

The Expenditure Section must ensure proper financial control; uphold the principle of effective administration and a high standard of service levels. The SCM unit assists the various departments in ensuring effective service delivery and ensuring the delivery of good quality products and services in the shortest possible turn-around time.

2. **DEFINITIONS**

In this Policy, unless the context indicates otherwise, the following definitions are applied:-

“Accounting Officer” means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003

“After-hours” means from 16:01 to 07:29 Monday to Friday’s; 16:01 Friday after noon until 07:29 Monday morning

“CFO” means the Chief Financial Officer designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003

“Delegated authority” means the official who is given the authority for relevant functions in terms of the municipality’s written delegations

“Emergency” means a serious, unexpected, and often dangerous situation requiring immediate action as set out in the MFMA SCM Regulations.

“End user” means an MLM official who has requested the goods and services who will receive such and utilise for the purpose it is intended.

“Official order” means a written request to order goods and services.

“SANS” means South African National Standards

“Working hours and days” means office hours between 07:30 and 16:00 Monday to Friday excluding public holidays and weekends

3. OBJECTIVES OF THE POLICY

3.1 The aim of this policy is:

- a) To ensure that goods and services are delivered in correct quantities at the correct location at the required SANS or acceptable level of quality as stipulated in the specifications within the relevant timeframes for the various supply chain processes
- b) To set standards on turn-around times for the various supply chain processes.
- c) To ensure cost effective and efficient usage of available resources in respect of purchases.
- d) To provide guidelines for the Council employees to follow in the management of requests for the acquisition of goods and services.
- e) To eliminate any potential standing time in hampering effective service delivery.

4. TURN AROUND TIMES FOR VARIOUS LEVEL OF PROCUREMENT PROCESSES

NO.	BID PROCESS INDICATORS	TURNAROUND TIME INDICATORS
1	Three written or verbal quotations for goods and services with a transaction value over between R2 000 up to R 30 000. (Specifications, request for quotations, evaluations, award and official order)	5 working days from receipt of correct specifications / order requests from end-user excluding delays Excluding Section 36 approvals
2	Seven (7) day process for goods and services with a transaction value between R30 000 and R200 000. (Specifications, ad, 7 day notice on website and notice boards, evaluations, approval memo awards and order/appointment letter)	20 working days from receipt of correct specifications from end user
3	Turnaround time for the formal SCM bid process for goods and services above R200 000. (specifications, bid spec committee, ad, formal ad in local media, on website and notice boards, bid opening commercial report capturing, technical evaluations, formal bid evaluation committee and formal bid adjudicating committee approval and issue of order/appointment letter)	80 working days from receipt of correct specifications from end user
4	Bid Committees: Bid Specification Committee Bid Evaluation Committee Bid Adjudication Committee	Notice minimum 2 working days in advance. Notice minimum 2 working days in advance. Notice minimum 3 working days in advance. Agenda's to be issued the Friday before the Thursday meetings as advertised. Additional meeting notices to be placed on the website minimum two days prior to the meeting.
5	Accredited Service Provider Database	10 – 15 working days from date of receipt of original vendor form with all qualifying supporting documents.